CENTRAL CONTROL OF STAND CONCESSIONS

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CENTRAL CONTROL OF STAND CONCESSIONS

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The subject "Central Control" when applied to refreshment stands or any other business seems to require some explanation, and there are many of us who are of the opinion that the name should be changed to something more descriptive, and you might consider using the term "Agency Management" as a title that more definitely describes the situation. This is simply the application of the same business principles to work for the blind as have been found necessary for success in the operation of modern business in any field.

Refreshment stands of various types have received a lot of attention during the past three or four years, and many agencies are looking upon this activity as a new and important remedy for the employment ills of blind persons. Any casual investigation will show you that refreshment stands have been operated by blind persons for a great many years and that agencies for the blind have since their beginning in 1891 in this country encouraged blind persons in the operation of businesses of various kinds. The agency management or central control system has been adopted by organizations for the blind that have finally recognized the fallacies of any other system. There are still too many organizations dabbling with the false doctrine which says that after blindness the individual is endowed with superlative talents which were non-existant prior to the disability. For example, John Doe might have been a day laborer prior to blindness, a street cleaner, a farm-hand, an industrial worker, a routine clerk in a store, or a routine office worker, and at no time was concerned with the principles of management involved in the purchasing and sale of merchandise. He has never had to distinguish between profits and sales and he has always been subjected to close supervision. Yet after blindness this individual is supposed to be entrusted with the welfare of the entire group, is supposed to acquire some mythical independent status and this is achieved by giving him an operating privilege in a beautiful building where he can install some forty-fifth-hand store fixtures and he can abuse or use the privilege according to the dictates of his own conscience.

Again, the agencies working upon this theory bury their heads in the mental sands of self-hypnotism in believing that blind persons are individuals and that the public will not transfer the educational influence of one person to their consideration for others. As a result of this wishful thinking with its attendant ineffective administration,

we have had thousands of refreshment stand locations granted to blind persons and dissipated and lost after serving one individual for a comparatively brief space of time.

Agency management means all that the two words can possibly imply. The organization must face facts and accept its full responsibility for the program. There is no justification for the expenditure of public funds in staff salaries and administrative routine when such expenditures result in losses of opportunities rather than in improved conditions. The organization has as much right to keep complete control of stand locations and complete control of the daily business operation as it has to make investments in sheltered industries, to produce articles of merchandise, and to control the manufacture and sale of these commodities to the general public.

You would not think of turning your sheltered shops with their various bits of equipment and supplies over to the employees as individual property, and you would not think of permitting your employees to work without close supervision or to produce any article in any way that the imagination of the individual worker might dictate. The refreshment stand location is as much the representative of the agency and of all blind persons as is any commodity you can produce in any other way.

Agency management then simply means that the organization recognizes its responsibility and that it is supplying all the business ability required for success of the entire enterprise. This particular activity also shows the organization how to operate a service on a self-supporting and self-perpetuating basis. There are some agency workers who do not believe that a charge should be made to the stand operator for administration from the central office. Yet these same workers do not hesitate to manufacture and sell merchandise from their special work shops at prices that are intended to reimburse the organization for the costs of administration which includes heat, light, rent, sales commissions, delivery, bookkeeping, etc. There is no more justification for giving the stand operator the complete gross profit produced through the sale of merchandise than there is for giving the shop worker the differential between labor and materials and the selling price of the commodity. The principles involved in this system are simple and are briefly these:

1. The operating privilege, all stock and equipment, and all other property involved in the operation of the stand are the permanent property of the agency, and the agency alone is responsible for the condition and the maintenance of these properties.

2. The stand location is maintained and preserved for the use of successive blind persons and is never personal to any individual and is considered as a service unit for the group and not something which can be sold by the operator or inherited by relatives.

3. The agency supplies sufficient supervision which is actually supplementary business ability in the amount required between that possessed by the operator and that which is necessary for success to maintain public confidence and a successful enterprise.

4. The operator pays cash for all merchandise received over his counter and sells for cash to his customers. The operator makes a report to the agency each week, gives all cash from the sales to the agency, and the total of this cash plus purchase invoices must equal total sales for the period.

5. The agency gives the operator a weekly drawing account that is a normal sum and that is near the minimum the stand is expected to earn. This is not a guaranteed wage and must be reduced if the business of the stand does not produce it.

6. At the end of each four-week period the agency totals the important items of the business; namely sales, purchases, determines gross profit in dollars and cents and in percentage, expenditures for help and miscellaneous expenses, and these must all balance with the deposit made to the office. Against the deposit, the organization charges the drawing account given to the operator, deducts an administration charge which is based upon a percentage of the gross sales, pays any other operating expenses that are properly chargeable to the stand for the period, and these expenditures are deducted from the deposit and the net profit is returned to the operator as the final portion of his actual unsubsidized earnings for the period. Thus the operator's income is the total of his four drawing account checks plus the net profit check. This net profit check should be delivered to him within ten days after the close of each four-week period.

7. The agency operates its affairs with the funds derived through the administration charge and against this income it charges all its departmental operating expenses such as staff salaries for supervision, proportionate share of office rent, stenographic service, travelling expenses of staff, insurance of all kinds, repairs to equipment. A sufficient residue should be accumulated over and above these expenses to enable the agency to establish a replacement fund for the replacing of equipment when it is worn out or changes are necessary and also accumulate something with which to buy equipment for new locations as they are secured.

If you are interested in seeing how a program on this basis is actually operating, the Service for the Blind, Office of Education, will be delighted to send you a recent publication entitled "History and Outline of Vending Stand Program in the District of Columbia". In this publication financial statements and all necessary information are given in detail as of the date of the publication. Obviously as this particular program improves, it will be necessary to issue supplementary publication giving the financial condition and showing the manner in which this Service meets the objectives I have described.

Another important element in the operation of refreshment stands is the principle of promotion. As new locations are developed and as old ones are improved, operators can be transferred, promoted, or demoted in accordance with their ability as it is determined. It is unfair to keep an individual on a small stand earning $15 per week if that person has $50 a week ability and a stand earning this amount becomes available. It is equally unfair to place individuals on stands because it happens to be expedient and regardless of how well that person may operate, deny him the opportunity for advancement as new locations are secured by the placing of inexperienced and unknown operators on the new locations. Everyone likes to live in hope of advancement and improvement. The promotion system in stand operating is one of the most necessary and effective principles that could possibly be used by any organization.

You have in Pennsylvania ample evidence of the fallacies of individual ownership, and it is unnecessary for anyone to expand on this subject. The system has been tried in this State for at least twenty years, and the present condition of employment opportunities and of stand locations in this State is no compliment to the agencies for the blind and the persons administering them. It is high time that we should evaluate our results honestly, admit our mistakes, and profit by the experience of others who are achieving acceptable results.

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IN FAVOR OF

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CLUNK, J.F.

CENTRAL CONTROL OF STAND CONCESSIONS.

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1525	9	"	6	"	"	1932	13	"	10	"	"
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